

## House Republican Press Release

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### **Rep. Miller: Bill Providing Distributed Generation Incentives Gains Final Legislative Okay**



The increasing demand for electricity in Fairfield County could be significantly reduced over the next few years, thanks to an ‘energy independence’ measure (House Bill 7501) that received final legislative approval today in the state Senate, state Representative Lawrence G. Miller, R-122<sup>nd</sup> District, said today.

The measure, which now goes to Governor M. Jodi Rell to be signed into law, provides incentives for companies to install on-site electricity generators (distributed generation systems) on their premises, Representative Miller said.

Last year Representative Miller introduced legislation to encourage Connecticut businesses that are heavy electricity consumers to switch to distributed generation technologies (such as reciprocating engines and gas turbines, which can be installed on site) or emerging distributed generation technologies (such as fuel cells and micro-turbines) rather than continuing to rely on electric utilities to meet their power needs.

“By giving final legislative approval to this measure today, the General Assembly has taken a major step toward solving southwest Connecticut’s electricity supply problems. This legislation requires the Department of Public Utility Control to establish a program to provide one-time capital subsidies to companies that install ‘customer side’ distributed generation systems on their premises. It will give high-demand electricity users throughout Fairfield County – and elsewhere in the state – a powerful incentive to purchase distributed generation systems. If enough companies in Fairfield County alone install on-site generators, it will significantly reduce the region’s increasing demand for electricity,” Representative Miller said.

“Switching from electric utilities to distributed generation technologies will reduce the demand for power in Fairfield County and could even obviate the need for widespread development of new power lines such as the planned 69-mile transmission line between Middletown and Norwalk,” Representative Miller said.

“In addition to offering a feasible and more attractive alternative to more power lines, on-site generators are highly reliable and can operate on natural gas as well as bio-diesel fuel, which produce significantly less harmful emissions than standard petroleum-based

fuels. Distributed generating systems are a proven technology capable of providing reliable, cost-effective electrical power to large-volume users,” Representative Miller said.

The legislation:

- Requires DPUC to establish by January 1, 2006 a program to provide one-time capital subsidies to customers who install ‘customer side’ distributed generation systems. The subsidies are expected to range from \$200 to \$500 per kilowatt of generating capacity.
- Requires DPUC to select one or more entities to provide long term financing for the capital costs of ‘customer side’ distributed generation systems. DPUC also must implement a mechanism to reduce the interest rate for people receiving the financing to no more than the prime rate. DPUC must select the entities by January 1, 2006.
- Allows the Connecticut Siting council to give expedited approval to ‘customer-side’ distributed resources projects with a capacity of up to 65 megawatts that meet Department of Environmental Protection air quality standards.